

# **MUNSLOW PARISH COUNCIL STATEMENT OF INTERNAL CONTROL**

**FOR THE YEAR ENDING 31st MARCH 2025. Adopted: 4<sup>th</sup> April 2024**

## **1. Scope of Responsibility**

Munslow Parish Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

## **2. The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

## **3. The Internal Control Environment**

### **The Council:**

The Council has appointed a chairperson who is responsible for the smooth running of its meetings and for ensuring that all Council decisions are lawful. The Council reviews its obligations and objectives and budgets at the level of precept required for the following year at its November Meeting. The Council meets minimum of ten (10) each year and monitors progress against its aims and objectives at its meetings by receiving relevant reports from Chairperson and the Parish Clerk. The Council regularly reviews its internal controls, systems and procedures.

### **The Clerk/Responsible Financial Officer:**

The Council has appointed a Clerk of the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for the day-to-day compliance with laws and regulations that the Council is subject to and for managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to.

### **Payments:**

Council approves all payments. Two Members of Council must sign every cheque and authorise all online payments.

### **Risk Assessments/Risk Management:**

The Council carries out regular risk assessments in respect of its activities and regularly reviews its system and controls. The asset register is updated as required and reviewed regularly and at least annually.

**Internal Audit:**

The Council has appointed an independent and competent Internal Auditor who reports to the Council on the adequacy of its systems and procedures, internal controls and risk management and its reviews of these matters.

**External Audit:**

At the Annual Parish Council Meeting the Council completes a Certificate of Exemption if its gross income or expenditure does not exceed £25,000 for the financial year, the external auditor has not issued a public interest report or advisory notice, commenced a judicial review or made an application under Section 28(1) of the Local Audit (Smaller Authorities) Regulations 2015.

The council can request a limited assurance review and would not exempt itself in that financial year. If the annual income or expenditure exceeds £25,000 in that financial year it would complete an Annual Governance and Accountability Return

**4. Review of Effectiveness (see below)**

The Council has responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of

- The Council
- The Clerk/RFO who has responsibility for the design and maintenance of the internal control environment and managing risk
- The independent Internal Auditor who reviews the Council's systems of internal control
- Where appropriate, the Council's External Auditors who make the final check using the Annual Return, a form completed and signed by the RFO, the Chairperson and Internal Auditor

**5. Significant Internal Control Issues**

The Council strives for the continuous improvement of the system it has designed for internal control. If a significant Internal Control Issue arises this statement will be reviewed at the next Parish Council Meeting.